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C O N F I D E N T I A L LA PAZ 003261

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TAGS: ASEC BL PGOV PREL  
SUBJECT: BOLIVIA: WHAT NEXT?

REF: A. LA PAZ 3220

1B. LA PAZ 3244

Classified By: EcoPol Counselor Mike Hammer for reasons 1.4b, d

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Summary  
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11. (C) Tensions are running high in the wake of the ruling Movement Toward Socialism (MAS) party's extra-legal maneuverings to achieve a draft constitution and with the opposition departments poised to declare their autonomy this weekend. While President Evo Morales has spoken of a Christmas truce, some officials in his government are threatening reprisals and force if the opposition follows through with planned declarations of autonomy this weekend. Santa Cruz and other opposition department leaders have assured us that they do not intend violence, focusing instead on drafting and publishing department autonomy statutes and on continuing peaceful civil disobedience to protest the "illegal" MAS constitution. However, it is clear that the radical elements of both sides could be difficult to control and a small incident could spark larger scale violence. Rumors abound that the government will take some action against the opposition departments, from declaring a state of siege to arresting key leaders. However, Vice President Alvaro Garcia Linera told the Ambassador December 14 that the government would not/not declare a state of siege or deploy the military unless it is to defend government buildings or to protect people.

12. (C) Logic would dictate that Evo, who has forcefully outmaneuvered the opposition in getting a new constitution text without much international outcry, would now seek to maintain calm, particularly as Presidents Lula and Bachelet arrive in La Paz December 16-17. Then in January, Evo will be able to appoint a new director of the National Electoral Court and justices to the Constitutional Tribunal and focus on securing victories in the two referenda on the

constitution and a possible recall referendum. A second, uglier scenario is also possible, although we believe it to be less likely. The triggers for the second scenario would be the government arresting opposition leaders or initiating police/military actions in the opposition departments, possibly including declaring a state of emergency. End summary.

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Forecast: Mostly Peaceful, with Possible Scattered Violence  
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13. (C) After pushing through the MAS draft constitution by purposefully (and forcefully) excluding the opposition, Evo is now calling for dialogue and calm. In response, Santa Cruz Civic Committee President Branko Marinkovic commented: "Isn't it nice, having done everything he could to win, breaking laws, killing people, afterwards (Evo) says 'Let us have a truce for Christmas.'" Evo's conciliatory tone rings hollow since his ministers are busy making threats. Minister of Government Alfredo Rada announced potential use of force should democratic initiatives fail and Viceminister of the Interior Ruben Gamarra warned: "What's at stake is the nation, and we're not going to let any prefect, city or civil leader to act against the national unity...it's a constitutional duty to combat against such acts of sedition and separatism in our country." But, in a hour-plus long meeting December 14, the Vice President assured the Ambassador that the government would not impose a state of siege or take military action unless there is a need to defend government buildings or protect people. The Ambassador made clear that the United States is concerned about the situation and that we are urging restraint from both sides, the government and opposition. Garcia Linera said that expressions of autonomy are democratic and "acceptable" but warned that opposition department moves to establish local police forces, collect taxes, or control national resources would be illegal. "The President and I must guarantee the country's integrity and stability," he added. The Ambassador noted that the United States supports a united and democratic Bolivia, but what was needed now is restraint.

14. (C) We foresee relative peace in the near term with potential for isolated violence and possible, though unlikely, military or police reprisals. Both sides have winked at increasingly violent actions by their more radical elements. During the recent Sucre violence, MAS-aligned "Red Ponchos" or indigenous militia tortured and decapitated two stray dogs, saying that this is what easterners should expect. On December 10, members of a Santa Cruz youth group attacked a supposed Masista who was taking pictures of the hunger strike (caught on tape, the attack is violent and could be used to rally western ire against the opposition.) With fringe elements of both sides willing to use violence, the potential for isolated confrontations is high. For example, a minor skirmish escalated into violence on December 13 when middle-class protestors brawled with MAS supporters in La Paz. Furthermore, any confrontation between a civilian mob and the military or police, could well result in deaths -- as occurred in Sucre. However, the government does not want a repeat of Sucre and seems to be preparing its radical social groups as the ones who would confront opposition civilian groups. The calculus is that confrontations between middle-class and indigenous would make the opposition look bad or, as the government labels them, "fascist, racist, oligarchs." If the police or military engage, it is the government which will likely be blamed.

15. (C) We also expect that Evo and the MAS will continue their attacks on the United States to distract attention from domestic issues. On December 13, Evo was interviewed on CNN International and once again accused USAID of financing the opposition and the Ambassador of engaging in politics not diplomacy. Beyond these rhetorical attacks, we have not seen any incidents of violence targeting USG interests or U.S. citizens. (Note: Post EAC met on December 14. Reported septel. End note)

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Looking Ahead  
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¶6. (C) In the longer term, the opposition departments are likely to assert their autonomy in ways that gradually erode national power. The opposition departments' most probable method of asserting autonomy will be withholding of taxes or revenues, particularly hydrocarbon revenues, from the central government. (Note: this could lead to difficult situations for private companies, if autonomous departments demand that taxes go to the department while the central government demands the same tax revenues. A similar situation with the departmental aviation agency in Santa Cruz led to a shut down of the international airport when airlines, including American Airlines, refused to pay double fees. End note.)

¶7. (C) Departments could also attempt to bolster their autonomy by taking central government buildings and declaring them under departmental control. Likely targets would be tax and land offices (opposition forces in the city of Tarija are currently occupying both the tax and the land-reform government offices.) Departments might also choose to form departmental police squads, both to bolster their appearance of autonomy and to give them a force which could face off against the central government. (Note: currently the only police in Bolivia are the national police, although a number of large cities have begun hiring "municipal guards". End note.)

¶8. (C) The opposition departments of Pando, Beni, Tarija and Santa Cruz are planning to present their autonomy statutes this weekend. Opposition leaders have assured us that they will go no/no further, so as not to provoke a government response. Their hope is that the government will enter into a "true" dialogue, but they feel that this can only occur if there is an outside mediator. The opposition has asked the OAS, Brazil, the EU and the Catholic church if they would mediate. So far, the government has rejected all of these options.

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Opposition Fears Evo will Takeover Electoral System  
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¶9. (C) There are three national referenda expected in 2008: a referendum on whether to recall the president and Bolivia's nine prefects; a preliminary referendum on an article of the new constitution; and a subsequent referendum on the entire constitution. The National Electoral Court decides the rules of the game for each election and is normally comprised of five justices, four appointed by Congress, one by the President. To ensure that all interests are represented, the electoral code stipulates Congressional appointments require a two-thirds majority of both houses of Congress. Currently the court has only three justices, and the president of the court must step down in January, leaving the court without the necessary three-person quorum and forcing the appointment of new justices. With Congress soon to enter recess, Evo will be able to fill the Electoral Court's three vacancies, giving him control over the court.

¶10. (C) Comment: Without impartial international observers, the opposition fears that the MAS-dominated Electoral Court will organize the 2008 referenda in such a way that favors the MAS. La Paz Prefect Pepe Lucho told us that he feels Evo will use the recall referendum as a "test run" of the Electoral Court once it is under his control. For Evo a successful recall referendum would eliminate one or two opposition prefects (whom Evo would replace) and give Evo a chance to fine-tune the referendum process in preparation for the constitutional referenda. The constitutional referenda are the opposition's best chance at defeating Evo, but the opposition is still divided on whether to participate. A corruption of the electoral system could further alienate the MAS and opposition. If the MAS skews the electoral system so much that the opposition-led departments see the 2008 referenda as fraudulent, some radicals in the opposition may

view violent protest as the only solution. End Comment.

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Distrust, Hard to Overcome  
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¶11. (C) If opposition departments reject the MAS constitution in the national referendum (for example, if a majority of Santa Cruz voters votes "no" on the constitution), departments could individually decide not to accept the new constitution, leading gradually to a de-facto divided country. Opposition departments would continue to operate under the current constitution and their own autonomy statutes, while the "loyalist" departments (La Paz, Potosi, Oruro, with question-marks over the divided departments of Cochabamba and Chuquisaca) could become even more centralized under the MAS constitution.

¶12. (C) To avoid this slow devolution to division within Bolivia, dialogue between the two sides would be necessary, but the level of distrust is so high this would require the intervention of an international mediator. Both sides currently see the situation as a zero-sum game with nothing to be gained by working with the other side.

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Comment  
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¶13. (C) Evo is currently in a strong position on the constitution, having prevailed in Oruro and is now able to sit back and let the opposition look bad in the case of any violence. Despite his history of thriving on confrontation, Evo will probably continue to call for tranquility and "dialogue", now that it is too late for the opposition to have any real input in the draft Constitution. The government's reaction to Santa Cruz's steps toward declaring autonomy have thus far been restrained, although as usual Evo's rhetoric is more forceful--declaring autonomy statutes "illegal". The lack of official government action against the opposition thus far is a good sign, suggesting that Evo intends to follow the logical approach and maintain calm. The Vice President's assurances to us, while important, do not exclude the possibility that the government will use force if it sees an opportunity to deliver a significant blow to the opposition. Should the opposition move from civil to violent protest, Evo could use that as an excuse to take action against it. Alternatively, Morales could simply point to any opposition violence as illegal acts against a peaceful, restrained central government. Absent a spontaneous confrontation, we expect both sides to try to avoid violence in the short term, particularly since Evo will not want to disrupt the upcoming visits Presidents Lula and Bachelet or bring further international attention to his undemocratic machinations. End comment.

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